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IN REPLY REFER TO:

# United States Department of the Interior

OFFICE OF SURFACE MINING  
Reclamation and Enforcement  
P.O. Box 46667  
Denver, Colorado 80201-6667

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MAR 14 2008

DIV. OF OIL, GAS &amp; MINING

UT-0003

March 10, 2008

Utah Division of Oil, Gas, & Mining  
Coal Regulatory Program  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Canyon Fuel Company, LLC "Skyline" Mine - Application for a Permit Revision,  
Incidental Boundary Change, Task ID No. 2918

Dear Sir or Madam:

This is in response to the Utah Division of Oil, Gas & Mining's (UT-DOGM) February 8, 2008, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a Permit Revision, Incidental Boundary Change, has determined that it proposes to add approximately 680 acres of fee coal east of the currently approved permit area of the Skyline mine, Utah State permit C/007/0005.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does not meet the requirements of 30 CFR PART 740 and PART 746. Therefore, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for a Permit Revision, Incidental Boundary Change, with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the February 8, 2008, request to the Bureau of Land Management and the USDA Forest Service for their review and comment.

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IN AMERICA 

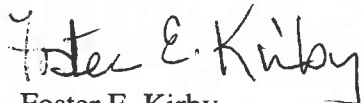
In an electronic submittal dated February 12, 2008, the USDA Forest Service stated in its opinion the permit revision did not constitute a mining plan action requiring Secretarial approval.

The Bureau of Land Management did not provide any comments in the thirty day time frame established by the Federal regulations under 30 CFR 944.30, Article VI. D.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 293-5038.

Sincerely,

A handwritten signature in dark ink, appearing to read "Foster E. Kirby". The signature is written in a cursive, slightly slanted style.

Foster E. Kirby  
Acting Manager, Northwest Branch

cc: BLM - Utah State Office  
BLM - Price Field Office  
USFS - Manti-La Sal NF  
Denver Field Division